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Originally Published: July 15, 2018 12:17 AM **Modified: 4 days ago**

## Faurecia investment allows Promethient to ramp up development

By **Tom Henderson**

Promethient Inc., an early stage tech company in Traverse City, landed the kind of partner in May most startups can only fantasize about.

The company got what it describes as a large though undisclosed equity investment from Faurecia Ventures, the investment arm of Nanterre, France-based Faurecia, the sixth-largest auto supplier in the world, with a big American presence.

The funding will allow Promethient to ramp up product development and marketing and also provides it with a very large early customer.



Equally important, the investment allows Promethient to sell to other auto suppliers and makers, and company founder, CTO and President Chuck Cauchy has been pitching them, too, including a meeting with one of the Big Three in late June.

The company uses graphene, a single layer of carbon atoms arranged in a hexagonal lattice, to heat and cool vehicle seats, laid out in a cross-shaped pattern beneath the seat cover.

The strongest material ever tested, graphene is very flexible and extremely efficient at conducting heat and electricity. It is used by Promethient to form what is called a "dispersion layer" that is coupled with a thermoelectric device for quick heating or cooling of a vehicle interior.

In 2010, Andre Geim and Konstantin Novoselov of the University of Manchester in England won the Nobel Prize for their discovery of graphene.

Promethient, which has three patents pending, markets its technology under the brand name of Thermavance. It is a climate-control technology that is adaptable for a variety of vehicle uses, including arm rests, heating and cooling through what is called conductive heat transfer, offering higher efficiency and cheaper costs than the current convective technology used by automakers to help regulate interior climates.

Cauchy said the technology is particularly applicable for electric vehicles, where reducing energy use for some applications allows for more range between charges.

The company also landed a contract with El Tigre Golf Seats of Elkhart, Ind., to provide graphene-based assemblies, with production to begin in August.



"The partnership with Faurecia represents a significant step for us within the automotive industry and clearly demonstrates the value of Thermavance within the marketplace," said Bill Myers, Promethient's CEO.

Myers said it will be at least two years before Promethient's technology is in the auto marketplace.

Myers joined Promethient last year after it got \$150,000 in seed funding from the Traverse City-based Northern Michigan Angels, an investor group, and \$500,000 from Casey Cowell, the founder and principal of Traverse City-based Boomerang Catapult LLC, **which invests in startup and early stage companies in northern Michigan.**

For the previous two years, Myer had been marketing manager of R.M. Young Co. a Traverse City-based maker of meteorological instruments, and for 10 years before that was owner of Traverse City-based TriLink Technical Services, a management consulting and staffing company.

Cowell recruited Myers to Promethient after making his investment.

Cowell said he invested because of Cauchy's 30 years as a physicist and engineer in thermal electronics and the potential size of Promethient's market.

Cauchy founded Promethient in 2012 as a consulting firm, mostly working with one battery company and doing some work with the U.S. Department of Energy. In 2016, after winning \$20,000 at a business accelerator event in Grand Rapids and getting some early feedback from Faurecia, Cauchy began looking for investors, securing his seed round last July.

His work at Promethient grew out of his involvement with the Tellurex Corp., a Traverse City company that makes thermoelectric devices, including projects for Igloo, Chrysler and GM. He was president and CEO there from 1986-2011.

"Chuck has developed commercial and industrial-grade products before. He knows the space and tech," said Cowell. "It's a massive market, potentially everything humans touch. The company has strong inroads from Faurecia from the start, a tier one auto supplier that fits our vision perfectly. Faurecia is arguably the best partner we could have in the world for this."

Founded in 1997, Faurecia has 290 sites, including 30 R&D centers and 109,000 employees in 35 countries, with a focus on automotive seating, interior systems and clean mobility. In 2017, it had total sales of 20.2 billion euros.

Nik Endrud, vice president for strategy and innovation at Faurecia Seating, joined Promethient's board. In an email to Crain's, Endrud said of Promethient's technology: "In our testing, we have found both the time to sensation and the ultimate difference in temperature to be better than competing technologies. The

technology will require (Faurecia) to manage the integration without adversely affecting packaging and seat comfort. (This will) provide solutions faster to our OEM customers."

Cauchy said his business model calls for outsourcing manufacturing. Conveniently for him and the company, his landlord is a manufacturing company, PlastikPlus, that already has the machinery to make their heating and cooling units.

Promethient employs six directly and has six contractors.

Myers said Promethient is targeting four major markets — transportation, including off-road, agricultural and aviation; furniture; medical devices; and garments for the military, police and athletes. He said he has one deal with a manufacturer of power-sports vehicles he isn't allowed to name and has a prototype being evaluated by a major furniture maker.

"The Northern Michigan Angels like to invest in companies that have more than one application for the technology along with having a management team that can prioritize and bring in sales quickly," said Deanna Cannon, the angels' executive director. "Promethient has a great management team that is pursuing a short-term path to cash-flow positive results."

Myers said the company has begun generating modest nonrecurring revenue from engineering projects being paid for by customers and expects revenue to ramp up quickly.

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